

TELECOMMUNICATION  
CONSULTANTS

# ECONO BILL

CORPORATION

December 2, 1997

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FCC  
1919 M Street NW  
Washington, DC 20554

FedEx Tracking #3839178464

Att.: Ms. Maggie Roman Salas  
Secretary

Re: Petition for Reconsideration/Clarification of Petition  
Docket #96-61 FCC 97-293

RECEIVED

DEC 3 1997

Dear Ms. Salas:

The FCC states two reasons for eliminating the public disclosure requirement:

- A. To decrease regulatory burdens on nondominant interexchange carriers, and
- B. To deter tacit price coordination, i.e., to protect the customer from rate increases during the contract period.

As a telecommunications consultant with fifteen years experience I would like to explain why I feel, the public disclosure requirement should be retained, specifically with regard to individually negotiated service arrangements for small to medium businesses. In response to the points above:

A. I appreciate the fact that the FCC aims to impose the least possible government intervention on free enterprise. In this situation competition among carriers ought to keep rates uniform for similar users. No carrier would charge unfair rates for fear of losing business to its competitors. If a carrier would, the customer has recourse to appeal to the FCC.

**Nevertheless, I have seen with my own eyes that interexchange carriers do indeed give highly discrepant rates to similar users, and the user does not know he has a complaint.**

The assumption that competition will naturally regulate individual service contracts presupposes that the customer has knowledge of competitive rates and contracts. Nothing could be farther from the truth. It should be understood that a service contract is an intricately complex arrangement, involving a multiplicity of eligibility criteria, rates and services. Aside from the super-big companies, which have the resources to research telecommunications, the consumer is in the dark.

It is surprising how many residential consumers and even small to medium sized businesses are still paying basic rates! They need to be educated to know they are entitled to receive from the telephone companies competitive pricing that is available to similar users.

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more narrowly tailor our information requirements. We therefore grant Ad Hoc Users Committee's petition and eliminate the public disclosure requirement for individually-negotiated service arrangements.<sup>206</sup> Ad Hoc Users Committee correctly states that disclosure of the rates, terms, and conditions of individually-negotiated service arrangements cannot be justified on the basis of the need to enforce section 254(g), because the Commission decided to forbear from applying the geographic rate averaging and rate integration requirements to such arrangements.<sup>207</sup> The Commission, however, requires carriers to ensure that individually-negotiated service offerings are available to similarly-situated customers, regardless of their geographic location.<sup>208</sup> There are means to ensure that nondominant interexchange carriers make individually-negotiated service arrangements available to all similarly-situated customers without a public disclosure requirement. Market forces generally will ensure that nondominant interexchange carriers that lack market power do not charge rates, or impose terms and conditions, for interstate, domestic, interexchange services that are unjustly or unreasonably discriminatory.<sup>209</sup> Specifically, if a nondominant interexchange carrier could profit from selling an interstate, domestic, interexchange service at one price to one customer and attempted to sell the same service at an unjustly or unreasonably discriminatory price to a similarly-situated customer, that customer would purchase services from other facilities-based nondominant interexchange carriers that could profit from selling the same services to that customer at the lower market price. Moreover, we can remedy any carrier conduct that violates the requirement that carriers make individually-negotiated service arrangements available to all similarly-situated customers through the section 208 complaint process<sup>210</sup> and the requirement adopted in the *Second Report and Order* that nondominant interexchange carriers maintain price and service information on all of their interstate, domestic, interexchange services that they must make available to the Commission upon request.<sup>211</sup> Thus, eliminating public disclosure for individually-negotiated service arrangements will not

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<sup>206</sup> Individually-negotiated service arrangements, as opposed to mass market services, are customer-specific arrangements, such as contract tariffs, AT&T's Tariff 12 options, MCI's special customer arrangements, and Sprint's custom network service arrangements.

<sup>207</sup> *Geographic Rate Averaging Order*, 11 FCC Rcd at 9577.

<sup>208</sup> *Id.*

<sup>209</sup> *Second Report and Order* at 20742-43, para. 21.

<sup>210</sup> A customer can file a section 208 complaint and allege that a carrier has unreasonably discriminated against it in the provision of either contract or mass market services. The customer complainant, as always, under section 208, bears the initial burden of establishing that: (1) the complainant sought substantially the same service arrangement under the same terms and conditions that were made available to another customer; and (2) the carrier refused to make that service available to the complainant on terms similar to those of another customer's service arrangement. If a complainant establishes this, the burden shifts to the carrier which must demonstrate why the discrimination is reasonable. See *Competition in the Interstate Interexchange Marketplace*, 6 FCC Rcd 5880, 5903 (1991).

<sup>211</sup> *Id.* at 20777-78, para. 87.

ENCLOSURE # 2

AT&T COMMUNICATIONS

CONTRACT TARIFF NO. 8532

Adm. Rates and Tariffs

Original Page 10

Bridgewater, NJ 08807

Issued: November 21, 1997

Effective: November 22, 1997

**\*\* All material on this page is new. \*\***

7. **Rates** - The Usage Rates in this section are in lieu of the Domestic Usage Rates specified in AT&T Tariff F.C.C. No. 1, as amended from time to time.

**A. Domestic Services**

1. The following Usage Rates apply to all domestic interstate Associated Optional AT&T 800 Services calls under this Contract Tariff which uses switched access :

PEAK		OFF-PEAK	
<u>Initial</u>	<u>Each Add'l</u>	<u>Initial</u>	<u>Each Add'l</u>
<u>30 seconds</u>	<u>6 Seconds</u>	<u>30 seconds</u>	<u>6 Seconds</u>
<u>or Fraction</u>	<u>or Fraction</u>	<u>or Fraction</u>	<u>or Fraction</u>
\$0.1235	\$0.0247	\$0.1055	\$0.0211

2. The following Usage Rates apply to all domestic interstate AT&T UNIPLAN Basic Service calls under this Contract Tariff which uses switched access:

PEAK		OFF-PEAK	
<u>Initial</u>	<u>Each Add'l</u>	<u>Initial</u>	<u>Each Add'l</u>
<u>30 seconds</u>	<u>6 Seconds</u>	<u>30 seconds</u>	<u>6 Seconds</u>
<u>or Fraction</u>	<u>or Fraction</u>	<u>or Fraction</u>	<u>or Fraction</u>
\$0.1140	\$0.0228	\$0.0975	\$0.0195

3. The following Usage Rates apply to all domestic interstate Associated Optional AT&T 800 Services calls under this Contract Tariff which uses dedicated access:

PEAK		OFF-PEAK	
<u>Initial</u>	<u>Each Add'l</u>	<u>Initial</u>	<u>Each Add'l</u>
<u>30 seconds</u>	<u>6 Seconds</u>	<u>30 seconds</u>	<u>6 Seconds</u>
<u>or Fraction</u>	<u>or Fraction</u>	<u>or Fraction</u>	<u>or Fraction</u>
\$0.0780	\$0.0156	\$0.0725	\$0.0145

4. The following Usage Rates apply to all domestic interstate AT&T UNIPLAN Basic Service calls under this Contract Tariff which uses dedicated access:

PEAK		OFF-PEAK	
<u>Initial</u>	<u>Each Add'l</u>	<u>Initial</u>	<u>Each Add'l</u>
<u>30 seconds</u>	<u>6 Seconds</u>	<u>30 seconds</u>	<u>6 Seconds</u>
<u>or Fraction</u>	<u>or Fraction</u>	<u>or Fraction</u>	<u>or Fraction</u>
\$0.0740	\$0.0148	\$0.0685	\$0.0137

If AT&T increases or decreases the AT&T UNIPLAN Basic Service and Associated Optional AT&T 800 Services Usage Rates in AT&T Tariff F.C.C. No. 1 for the Peak or Off-Peak Rate Period, the Usage Rates for all Rate Periods listed above, will increase or decrease by the same percentage as the rate in AT&T Tariff F.C.C. No. 1, not to exceed 3% in any one year. If the above rates are increased by more than 3% during any one year, the Customer will receive the credit specified in Section 6.C.1.(f), preceding. AT&T will automatically make rate adjustments under this provision as necessary.

A\* Bus Schedule for Long Distance at Base Line and 1997 Page 5

ENCLOSURE # 3

New table  
for December  
1997.  
Not yet  
published.

### Changes in AT&T BASE Day Rates

Per Minute Rates for 600-Mile, 5-Minute Interstate Day Call

Service	1984	1986	1990	1997	% Rise '90 to '97	
					Annual	Total
MTS						
Bus "1+," Card/Operator	47.8¢	36.5¢	23.9¢	36.35¢	6.17%	52.1%
‡ Bus/Res Card (1997 only)				35.0	5.60	46.4
‡ Bus/Res Operator (1997 only)				40.4	7.80	69.0
Residential "1+" - Basic Sch X (1997 only)				28.0	2.29	17.2
Schedule Y and Z (1997 only)				30.0	3.30	25.5
Pro WATS (SelectValue/Plan Q)†	32.8		23.9	39.0	7.25	63.2
Megacom			15.8	23.6	5.90	49.4
Banded WATS	37.5	28.0	22.5	34.8	6.43	54.7
SDN — Schedule A			19.0	30.9	7.19	62.6
SDN — Schedule B			15.8	23.4	5.77	48.1
Readyline 800			23.5	38.05	7.13	61.9
Megacom 800			16.6	27.02	7.21	62.8

1997 data as of 12/1/97. Annual increase is average when compounded annually. Base rates do not necessarily show total cost. Total cost comparisons require adjustments for billing increments, time of day, call patterns, volume/other discounts, promos, access costs, and other factors. Other carriers' rates have followed similar paths. † Pro WATS merged into SelectValue/Plan Q 2/1/95; starting 1996 billed 30/1 rather than 30/6.

Data: Market Dynamics, Inc